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Canada

Wine

Quebec: Promising, Untapped Market for U.S. Wine 2000

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Report Highlights:

There is clearly an opportunity to increase U.S. wine sales in the province of Quebec. Competition is severe; table wines sold in Quebec are sourced from: France (34%); Canada (32%); Italy (14%); Chile (9%); Spain (3%); and U.S. (2%). The Quebec market represents the lowest market share for U.S. wines in Canada. However, the market is promising. Per capita wine consumption in Quebec is 14 liters, the highest in Canada. Wine sales in Quebec reached 8.3 million cases in 1999, also the highest in Canada.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

QUEBEC: UNTAPPED MARKET FOR U.S. WINES

On October 10, Ambassador Gordon Giffin met with representatives, including the President, of the Societe des Alcools du Quebec (SAQ) and the California Wine Institute to explore ideas for increasing U.S. market share of wine in Quebec. The SAQ is the government liquor board with responsibility for all imports of alcoholic beverages in the province of Quebec. There are more than 350 SAQ retail stores in the provinces, with 40-60 new stores scheduled to open in the next year. Mr. Gaetan Frigon, President, SAQ, expressed his desire to increase market share for U.S. wines in Quebec to diversify his portfolio and reduce the SAQ's dependency on wines from Europe.

There is clearly an opportunity to increase U.S. wine sales in the province of Quebec, provided the industry is willing to service the market. Competition is severe; table wines sold in Quebec are sourced from: France (34%); Canada (32%); Italy (14%); Chile (9%); Spain (3%); and U.S. (2%). The Quebec market represents the lowest market share for California wines in Canada. However, the market is promising. Per capita wine consumption in Quebec is 14 liters, the highest in Canada. Wine sales in Quebec reached 8.3 million cases in 1999, the highest in Canada.

California wines have successfully penetrated restaurant wine lists in the major metropolitan markets of Montreal and Quebec City. And the SAQ Marketing Department has been working with the Wine Institute to increase the profile of California wines. For example, for the past few years, California has been the official wine region of the Festival d'ete, which is Quebec City's summer music festival, attracting more than ½ million people.

What follows are constraints and opportunities and recommended strategies to address them for the U.S. wine industry:

1. Constraint: SAQ staff are not as familiar with U.S. wines as they are with European wines. As a result, retail staff do not have the knowledge or confidence to recommend U.S. wines to customers.

Strategy: Wine Institute & SAQ should develop training programs to educate SAQ staff about U.S. wine industry. Senior SAQ staff should be invited to tour significant U.S. wine regions.
2. Opportunity: Generic and Branded Marketing Activities must increase substantially

Strategy: The Wine Institute will partner with the SAQ whenever possible to co-sponsor special events and festivals which also involve in-store promotions. California appellation tastings (Napa and Sonoma) will be planned for Montreal during 2001.

SIAL/Montreal, March 4-6, 2001

FAS/Ottawa's first ever marketing event in the Quebec market and the first SIAL show ever in North

America will provide an ideal opportunity to showcase U.S. wine in Quebec. This will be the largest show in Canada, its target audience includes food service industry buyers, and FAS is sponsoring a USA Marketplace Pavilion. FAS/Ottawa encourages U.S. wine industry to participate in this show to take advantage of a promising market opportunity.

See related reports from FAS/Ottawa:

Report Number	Title of Report	Date
CA0112	Wine & Spirits Promotional Opps	8/2/2000
CA0093	Alcoholic Beverage Consumption in Canada	6/28/2000

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